

ANNEX E
REVOLVING FUND
PLANT REPLACEMENT AND IMPROVEMENT PROGRAM (PRIP)
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Annex E
PLANT, REVOLVING FUND
PLANT REPLACEMENT AND IMPROVEMENT PROGRAM (PRIP)

E-1.1. Purpose and Scope. This annex provides policy and general procedural guidance for Plant Replacement and Improvement Program (PRIP) development. To provide a uniform approach for program development and justification, the various plant items have been grouped into categories. Guidance for the electronic transmission of automated data for submittal of limited program recommendations is contained in the 1130 series of Engineer Regulations (ERs). Procedures for preparing input, for generating these reports, and for updating data are also included in the ER 1130 series. From time to time, additional detailed guidance will be provided by CERM-B in supplemental memoranda.

E-1.2. Program Development Concepts.

a. **Categories.** All plant items should be identified by category. Detailed definitions for the categories and subcategories can be found in Annex G, ER 37-1-29, Financial Administration, Financial Management of Capital Investments. The categories and subcategories authorized for use with this program submission are in Table 3 of the main part of the EC.

b. **Major and Minor Items.** For programming purposes all items of plant will be classified as either major or minor items. Major Items will be further classified as either new or continuing items.

(1) **Major Items.** New Major Items consist of those items which exceed HQUSACE authority and which require submittal through the Assistant Secretary of the Army (CW) to the Office of Management and Budget (OMB) and the Congressional Committees on Appropriations for concurrence. The limit of Chief of Engineers authority is \$700,000. However, for purposes of the FY 09 program submission, all new requirements estimated to cost \$525,000 or more will be treated as New Major Items, and submitted with full justification for Congressional review. Continuing Major Items consist of those acquisitions costing more than \$700,000, which were previously submitted to and concurred in by OMB; and authorized by the Congressional committees. An update shall be submitted on all continuing major items with scheduled obligations in FY09. Continuing Major Items with cost increases of 10% or more require re-authorization. Documentation to support the increase will be submitted along with an updated Economic Analysis. In the absence of Congressional action on the current year PRIP budget request, the President's current year program will be used for planning purposes with the assumption that the program request for continuing items and new starts will be enacted by 1 October of the current year. In the case that appropriations are not made by the Congress, but that a continuing resolution is instituted, major item new start projects will not be executed until full year appropriations are enacted.

(2) **Minor Items.** For FY09 minor items are those items which exceed the capitalization threshold of \$250,000 but which do not exceed the Chief of Engineers authority level.

E-1.3. Program Budget Guidance. Major Subordinate Command (MSC) Commanders will develop and submit a total PRIP for their command to include district requirements. Tabulation of program requirements will reflect the total MSC program and will show both MSC and district priorities for each item of plant. Each item of plant (major and minor) shall be submitted with full justification. This justification shall be submitted on ENG Form 4613-R for major items and ENG Form 4943-R for minor items. Electronic facsimiles of these forms are acceptable. In addition, major item new starts proposed for FY 09

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shall be submitted in accordance with ER 37-1-29 and are to be accompanied by economic and affordability analyses. A five year PRIP plan will be submitted annually, showing the current year, the program year, and the follow- on three out-years using ENG Form 1978-R or an approved electronic facsimile. The-PRIP plan shall be updated only after the mid-year review at the end of the second fiscal quarter or whenever significant changes occur. A copy of the semiannual update and changes shall be forwarded to CERM-B in accordance with the HQ mid-year review calendar published each fiscal year by CERM-B.

E-1.4. Submission Requirements and Dates. See Table 2 of the main part of this EC.